

BOIES, SCHILLER & FLEXNER LLP

575 Lexington Avenue  
New York, New York 10022  
Tel: (212) 446-2300  
Fax: (212) 446-2350  
Jonathan D. Schiller  
Hamish P. M. Hume  
Jack G. Stern

Attorneys for Barclays Capital Inc.

**UNITED STATES BANKRUPTCY COURT  
SOUTHERN DISTRICT OF NEW YORK**

In re

LEHMAN BROTHERS HOLDINGS INC., et al.,

Debtors.

Chapter 11 Case No.  
08-13555 (JMP)  
(Jointly Administered)

In re

LEHMAN BROTHERS INC.,

Debtor.

Case No. 08-01420 (JMP)  
(SIPA)

**MOTION OF BARCLAYS CAPITAL INC. TO ENFORCE THE SALE ORDER AND  
SECURE DELIVERY OF ALL UNDELIVERED ASSETS**

Pursuant to the Scheduling Order Concerning Certain Motions Filed by LBHI, SIPA Trustee and Creditors Committee dated October 27, 2009, Barclays Capital Inc. (“Barclays”) hereby moves the Court for the entry of an order, pursuant to 11 U.S.C. § 105(a), enforcing this Court’s Order Under 11 U.S.C. §§ 105(a), 363, and 365 and Federal Rules of Bankruptcy Procedure 2002, 6004, and 6006 Authorizing and Approving (A) the Sale of Purchased Assets Free and Clear of Liens and Other Interests and (B) Assumption and Assignment of Executory Contracts and Unexpired Leases, dated September 20, 2008, and (ii) the Court’s Order

Approving, and Incorporating by Reference for Purposes of this Proceeding, an Order Authorizing the Sale of Purchased Assets and Other Relief in the Lehman Brothers Holdings Inc. Chapter 11 Proceeding (collectively, the “Sale Order”). The requested order should direct James W. Giddens (the “Trustee”), as Trustee for the SIPA liquidation of Lehman Brothers Inc., and Lehman Brothers Holdings, Inc. (the “Debtor”), to deliver to Barclays the following assets (collectively, the “Undelivered Assets”), and/or take such actions as may be necessary to cause their delivery, as soon as is practicable, but in no event more than sixty days from entry of the requested order:

- all unencumbered securities and other assets held in LBI’s “clearance boxes” as of the time of the Closing, including but not limited to clearance boxes held by LBI at the Depository Trust Clearing Corporation (“DTCC”) (“Clearance Box Assets”);
- all property used to secure obligations under any and all exchange-traded derivatives (“ETD Margin”); and
- \$769 million of securities, either as held by or on behalf of LBI at closing pursuant to Rule 15c3-3 of the Securities Exchange Act of 1934, as amended, or securities of substantially the same nature and value (“\$769 Million in Securities”).

The grounds for this motion are as follows:

1. The Sale Order approved a “Purchase Agreement” defined as “that certain Asset Purchase Agreement, dated September 16, 2008, among the Debtors, Lehman Brothers Inc. (“LBI” and, collectively with the Debtors, the “Seller”) and Barclays Capital Inc. (the “Purchaser”), collectively with that First Amendment Clarifying Asset Purchase Agreement dated September 19, 2008 and that letter agreement clarifying and supplementing the Asset Purchase Agreement dated September 20, 2008 (as same may be subsequently modified or amended or clarified).” *See* Sale Order at 1, 12. The Sale Order further directs all entities in

possession of “Purchased Assets” under the Purchase Agreement “to surrender possession” of them to Barclays as of the Closing Date. *Id.* at ¶ 22.

2. The Undelivered Assets are Purchased Assets under the Purchase Agreement. *See* Memorandum of Barclays Capital Inc. in Opposition to the Rule 60 Motions and in Support of Motion of Barclays Capital Inc. to Enforce the Sale Order and Secure Delivery of All Undelivered Assets (“Barclays’ Memorandum”) at Section I.

3. Although more than a year has passed since the Sale Order, the Trustee has refused to deliver to Barclays all of the Clearance Box Assets. *See* Declaration of James Hraska dated January 27, 2010, filed in support of and concurrently with Barclays’ Memorandum.

4. Similarly, the Trustee has failed to deliver to Barclays the ETD Margin. *See* Declaration of Craig Jones dated January 8, 2010 filed in support of and concurrently with Barclays’ Memorandum; *see also* Exhibits 1 and 3 to the Declaration of Elizabeth James dated January 8, 2010 filed in support of and concurrently with Barclays’ Memorandum.

5. The Trustee also has failed to deliver to Barclays the \$769 Million in Securities. *See* The Trustee’s Motion for Relief Pursuant to the Sale Orders or, Alternatively, for Certain Limited Relief Under Rule 60(b), at pp. 22-25; BCI Ex. 167 [April 22, 2009 Letter from J. Kobak to J. Hughes, *et al.*]; BCI Ex. 173 [July 30, 2009 Letter from J. Kobak to J. Hughes].<sup>1</sup>

6. The Trustee’s failure to deliver the Undelivered Assets to Barclays for more than a year after closing is contrary to the Court’s Sale Order.

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<sup>1</sup> BCI Ex. 167 and BCI Ex. 173 are contained in the Appendix filed in support of and concurrently with Barclays’ Memorandum.

7. The Debtor, as co-signer of the Purchase Agreement, is jointly and severally liable to Barclays for the Undelivered Assets. *See* Barclays' Memorandum at Section I(E).

8. Accordingly, this Court should order the Trustee and the Debtor to deliver the Undelivered Assets to Barclays, and/or take such actions as may be necessary to cause their delivery, as soon as is practicable, but in no event more than sixty days after entry of the requested order.

Dated: New York, New York  
January 29, 2010

Respectfully submitted,

BOIES, SCHILLER & FLEXNER LLP

By: /s/ Jonathan D. Schiller

Jonathan D. Schiller  
Hamish P. M. Hume  
Jack G. Stern  
575 Lexington Avenue  
New York, New York 10022  
Tel: (212) 446-2300  
Fax: (212) 446-2350  
Email: JSchiller@bsflp.com  
HHume@bsflp.com  
JStern@bsflp.com

*Attorneys for Barclays Capital Inc.*